

EPA is issuing this checklist as a guide to Regions in reviewing SIP Call SIP submissions. It may also be helpful to States in preparing those submissions. The checklist includes both completeness and approvability criteria for the submissions; in addition, Regions should refer to the completeness criteria set forth in Appendix V to 40 CFR Part 51.

NO_x SIP Call Checklist

1. Budget Demonstration

G Does the SIP revision contain the baseline inventory for NO_x mass emissions from EGU, non-EGU, area, highway and non-road mobile sources in the year 2007 as specified in section 51.121(g)(2)? 40 CFR 51.121(g)(2)(i)

G Has the state certified that it has implemented all of the control measures assumed by EPA in developing the baseline 2007 inventory? 40 CFR 51.121(g)(2)(i)

If not, EPA may direct the State to adjust the baseline 2007 inventory. Id.

G Does the SIP revision have a 2007 projected inventory that demonstrates that the new State control measures, along with the measures assumed in the baseline 2007 inventory, will achieve the EPA assigned [see § 51.121 (e)(2)] State budget in 2007? 40 CFR 51.121(b)(1)(i), 51.121(g)(1), and 51.121(g)(2)(iii)

G Does the SIP revision project the 2007 emissions expected after implementation of each control measure compared to the baseline 2007 inventory for the subject sources if the new control measure was not implemented? 40 CFR 51.121(g)(2)(iii)

Does EPA find the projections to be reasonable?

G Are computations, assumptions, and judgments used by the State to determine its projected 2007 NO_x mass emissions following implementation of the control measures included with the SIP revision? 40 CFR 51.121(g)(2)(iii)

Does EPA find the computations to be accurate and the assumptions and judgments to be reasonable?

G Does the revision identify the sources of the data used by the State in projecting the emissions reductions achieved through implementation of each and all of the control measures? 40 CFR 51.121(g)(2)(iv)

Does EPA find the sources of the data used to be appropriate?

G Has the State indicated whether or not it intends to use the compliance supplement pool? 40

CFR 51.121(e)(3)

- G** Does the SIP submission provide for and describe the mechanism(s) to be used for distribution of the compliance supplement pool, if a State allows use of credits from the State's compliance supplement pool? 40 CFR 51.121(e)(3)(iv)

If yes,

- G** Do the SIP rules ensure that the State will not issue more credits than are contained within its Compliance Supplement Pool? 40 CFR 51.121(b)(2)(ii)(B) and 51.121(e)(3)(i)

- G** Are the mechanisms for distribution of the State's compliance supplement pool limited to the early reduction credit methodology and/or the direct distribution methodology described below? 40 CFR 51.121(e)(3)(iv)

If the SIP submission provides for and describes an early reduction credit methodology:

- G** Does the SIP rule require that the State shall complete the early reduction credit issuance process by no later than May 1, 2003? 40 CFR 51.121(e)(3)(iv)(A)(1)
- G** Does the early reduction credit methodology ensure that the reductions for which credit is given are not required by the State's SIP or otherwise required by the CAA? 40 CFR 51.121(e)(3)(iv)(A)(2)
- G** Does the early reduction credit methodology ensure that the reductions will be verified by the source as having actually occurred during an ozone control season between September 30, 1999 and May 1, 2003 and ensure that the reductions are quantified according to procedures set forth in the SIP revision and approved by EPA? 40 CFR 51.121(e)(3)(iv)(A)(3) and 51.121(e)(3)(iv)(A)(4)
- G** Does the early reduction credit methodology ensure that the reductions implemented by sources serving electric generators with a nameplate capacity greater than 25 MW or boilers, combustion turbines or combined cycle units with a maximum design heat input greater than 250 mmBtu/hr are quantified according to 40 CFR part 75, subpart H, requirements? 40 CFR 51.121(e)(3)(iv)(A)(4)

If the SIP submission provides for and describes a direct distribution methodology:

- G** Does the direct distribution methodology provide for the direct distribution credit issuance process to be initiated by the later date of September 30, 2002 or after the State completes the issuance of early reduction credits? 40 CFR

51.121(e)(3)(iv)(B)(1)

- G** Does the direct distribution methodology provide for completion of the process by no later than May 1, 2003? 40 CFR 51.121(e)(3)(iv)(B)(2)
- G** Does the direct distribution methodology ensure that credit is issued only if the source demonstrates all of the following:
1. that achieving compliance would create undue risk, and
 2. that early reduction credits could not be generated or acquired. 40 CFR 51.121(e)(3)(iv)(B)(3)
- G** Does the direct distribution methodology provide the public opportunity to comment, through a public hearing process, on the appropriateness of allocating compliance supplement pool credits to a source? 40 CFR 51.121(e)(3)(iv)(B)(4)

2. Enforceable Measures for Control

- G** Does the State include each of the following with respect to each of the control measures the state has elected to implement:
- ___ (a) the enforceable emission limit, technology requirement, or specific measure for each source;
 - ___ (b) projected activity level for each source or group of sources (not required for any category with an aggregate mass emissions cap or equivalent);
 - ___ (c) other factors necessary to calculate the effect of the control requirements,
 - ___ (d) emission rate & activity level measurement and emission estimations protocols,
 - ___ (e) reporting protocols for emission limit, activity level, and emissions,
 - ___ (f) enforcement mechanisms;
 - ___ (g) penalties for exceeding emission limits or failing to install or operate control technologies or carry out compliance measures;
 - ___ (h) provision for each control measure to be implemented by May 1, 2003? 40 CFR 51.121(b)(1), 51.121(f)(1), and 51.121(i)

If the SIP submittal controls fossil fuel fired NO_x sources serving electric generators with a nameplate capacity greater than 25 MW or boilers, combustion turbines or combined cycle units with a maximum design heat input greater than 250 mmBtu/hr:

- G** Does the SIP submittal require one of the following for these sources:

- ___ (a) NO_x mass emissions cap, in tons/ozone control season;

___ (b) NO_x emissions rate limit (lbs NO_x/mm BTU) assuming maximum operating capacity (rated capacity [BTU/hr] and full seasonal operation [hours/5 month ozone control season]) for purposes of estimating NO_x mass emissions from each source; or

___ (c) any other regulatory requirement which the State demonstrates to EPA provides equivalent or better assurance than (a) or (b) above that the State will comply with its NO_x budget in the 2007 ozone control season? 40 CFR 51.121(f)(2)(i)

- G** Does the SIP submittal controlling these sources require and provide enforceable mechanisms to assure that collectively emissions from all such sources (including new or modified units) will not exceed the aggregate mass emissions projected by the State for 2007 for that category in any ozone control season beginning in 2003? 40 CFR 51.121(f)(2)(ii)
- G** Does the SIP submittal controlling these sources require all such sources to comply with 40 CFR part 75, subpart H, monitoring requirements? 40 CFR 51.121(i)(4)

If the SIP revision contains any transportation control measures:

- G** Does the revision comply with 40 CFR 51.213? 40 CFR 51.121(i)(3)

3. Legal Authority

- G** Does the SIP revision have fully adopted state rules/regulations adequate to prohibit NO_x emissions in excess of the State's budget with compliance dates no later than May 1, 2003? 40 CFR 51.121(b)(1) and 51.121(f)(1)
- G** Does the revision provide for legally enforceable procedures for requiring owners or operators of stationary sources to maintain records and to periodically report to the State (a) information on the amount of NO_x emissions from their sources and (b) other information as may be necessary to enable the State to determine whether the sources are in compliance with applicable portions of the control measures? 40 CFR 51.121(f)(1)(i) and 51.121(i)(1)
- G** Does the revision comply with 40 CFR 51.212 (regarding testing, inspection, enforcement, and complaints)? 40 CFR 51.121(i)(2)
- G** Does the revision contain adequate procedures for handling control measure violations? 40 CFR 51.121(f)(1)(ii) and 51.121(i)(2)
- G** Does the revision designate agency responsibility for enforcement of implementation? 40 CFR 51.121(f)(1)(iii) and 51.121(l)(1)

- G** Does revision show that the State has legal authority to carry out the revision, including authority to:
- ___ (a) adopt emission standards and limitations and any other measures necessary for attainment and maintenance of the State's NOx budget;
 - ___ (b) enforce applicable laws, regulations and standards, and seek injunctive relief;
 - ___ (c) obtain information necessary to determine compliance with applicable control measures, including authority to require record keeping and to make inspections and conduct tests of air pollution sources;
 - ___ (d) require owners or operators of stationary sources to install, maintain and use emissions monitoring devices and make periodic reports to the State on the nature and amounts of emissions from such stationary sources; and
 - ___ (e) make such data available to the public as reported and as correlated with any applicable emissions standards or limitations? 40 CFR 51.121(j)
- G** Does the SIP revision specifically identify and provide copies of the laws or regulations which the State determines provide the authorities described above (or provide citations for those laws or regulations)? 40 CFR 51.121(k)(1)
- G** Does the SIP revision comply with the general plan requirements of § 51.240? [*§ 51.240 requires that each State implementation plan must identify organizations that will participate in developing, implementing and enforcing the plan and the responsibilities of such organizations. The plan shall include any related agreements or memoranda of understanding among the organizations.*] 40 CFR 51.121(l)(2)
- G** Does the SIP revision comply with § 51.280 (regarding resources)? 40 CFR 51.121(m)

4. Compliance Dates and Schedules

- G** Does the revision contain a legally enforceable compliance schedule setting forth May 1, 2003 as the date by which all sources must be in compliance with any applicable requirement that is adopted by the State to meet its budget? 40 CFR 51.121(b)(1)(ii)

5. Monitoring, Record keeping and Emissions Reporting

- G** Does the SIP revision comply with the data availability requirements of § 51.116? [*§51.116 requires the State to retain all detailed data and calculations used in the preparation of the revision and make them available for public inspection and submit them to the Administrator at her request. Also, each plan must provide for public availability of emission data reported by source owners or operators or otherwise obtained by the State. Such emission data must be correlated with applicable requirements.*] 40 CFR 51.121(h)

- G** Does the revision provide for State compliance with the reporting requirements set forth in section 51.122? This would include annual reports starting in 2003, triennial reports starting in 2002 and a 2007 report, in accordance with the requirements of section 51.122. 40 CFR 51.121(o)

___ Does the revision include mechanisms for the State to obtain from sources the data needed for the State to report emissions information to EPA in accordance with section 51.122 (note that for large EGUs or non-EGUs this requirement may be satisfied by direct submission of data from the source to EPA)? 40 CFR 51.121(f)(1)(i) and 51.121(i)(1)

6. Trading Rule

If the SIP revision contains a trading rule:

- G** Starting with the 2004 control season, does the SIP trading rule limit the use of any banked emission reduction credits or emission allowances beyond a predetermined amount as calculated by one of the following approaches:

___ the SIP trading rule prohibits sources from using banked emission reduction credits or allowances for compliance in excess of 10 percent of the source's allowable ozone season NOx emissions at a rate less than 2 credits or allowances for every 1 ton of emissions; or

___ the SIP trading rule limits the use of banked emission reduction credits or emission allowances beyond a predetermined amount as calculated by the approach in section 51.121(b)(2)(ii)(E)(1)? 40 CFR 51.121(b)(2)(ii)(E)

If the State wants to participate in the NOx Budget Trading Program:

- G** Is the State's SIP trading rule consistent with part 96 in one of the following ways:

___ Did the State adopt by reference part 96 with no changes?

___ If the State did not adopt part 96 by reference, is the State's SIP trading rule substantively identical to each provision of part 96?

___ Is the State's SIP trading rule substantively identical to each provision of part 96 except in the following respects (any or all of the following may be checked):

___ the State's SIP trading rule includes smaller electric generating units and/or smaller non-electric generating boilers, turbines and combined cycle units than the size criteria thresholds set forth in 40 CFR 96.4(a);

___ the State's SIP trading rule includes source categories other than electric generating units and non-electric generating boilers, turbines, and combined cycle units as defined in 40 CFR 96.2;

___ If yes, are these additional source categories able to comply with all the part 96 requirements including monitoring and reporting ?

___ the State's SIP trading rule does not include the individual unit opt-in provision set forth in subpart I of 40 CFR part 96;

___ the State's SIP trading rule does not provide the 25 ton/season exemption set forth in 40 CFR 96.4(b);

___ the State's SIP trading rule does not allow early reduction credits;

___ the State's trading rule allows early reduction credits using an alternative methodology from that described in 40 CFR 96.55(c) (and still satisfies the early reduction credit criteria described under the heading of Budget Demonstration and in 40 CFR 51.121(e)(3));

___ the State's SIP trading rule describes a different methodology for allocating allowances from that set forth in subpart E of 40 CFR part 96 while still ensuring that the number of allowances issued does not exceed the State trading program budget and that new sources are required to hold allowances;

___ the State's SIP trading rule issues allocations for periods different from that set forth in 40 CFR 96.41 while still ensuring that allocations are issued by April 1 of each year three years prior to the relevant control season? 40 CFR 51.121(p)

G Does the SIP submittal contain unit allocations for the 2003 ozone control season? 40 CFR 96.41(a)

G Does the SIP revision show that the State has the legal authority to adopt the trading rule and to implement its responsibilities under such regulations? 40 CFR 51.121(p)(1)(i)

G Does the SIP revision accurately reflect the NO_x emissions reductions to be expected from the State's implementation of the trading rule? 40 CFR 51.121(p)(1)(ii)